

STATE OF ALABAMA
DEPARTMENT OF INDUSTRIAL RELATIONS
OFFICE OF MINE SAFETY AND INSPECTION
FOURTH QUARTER 2008-JULY, AUG., SEPT., 2008

NUMBER OF EMPLOYEES AND COAL PRODUCTION
BY COUNTIES

| COUNTY | UNDERGROUND | | SURFACE | | TOTALS | |
|--------------|-------------|-----------|-----------|-----------|---------------------------|------------|
| | EMPLOYEES | TONNAGE | EMPLOYEES | TONNAGE | YEAR TO DATE EMPLOYEES | TONNAGE |
| Bibb | - | - | 12 | 23,589 | 12 | 113,354 |
| Cullman | - | - | 28 | 76,117 | 28 | 189,782 |
| Fayette | 393 | 540,706 | - | - | 393 | 2,696,817 |
| Franklin | - | - | 24 | 53,904 | 24 | 164,909 |
| Jackson | - | - | 71 | 83,807 | 71 | 338,086 |
| Jefferson | 984 | 854,680 | 277 | 434,635 | 1,261 | 4,864,539 |
| Marion | - | - | 45 | 105,095 | 45 | 420,599 |
| Shelby | 93 | 24,173 | 83 | 145,073 | 176 | 516,018 |
| Tuscaloosa | 1,229 | 1,243,923 | 281 | 517,701 | 1,510 | 7,703,234 |
| Walker | 47 | 30,400 | 389 | 642,219 | 436 | 2,758,573 |
| Winston | - | - | 121 | 217,022 | 121 | 781,998 |
| GRAND TOTALS | 2,746 | 2,693,882 | 1,331 | 2,299,162 | 4,077 | 20,547,909 |

COAL PRODUCTION SUMMARY

| <u>CLASSIFICATION</u> | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> | <u>TOTALS YEAR TO DATE</u> |
|-----------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------------|
| UNDERGROUND | 2,993,257 | 3,495,804 | 2,812,530 | 2,693,882 | 11,995,473 |
| SURFACE | 2,092,199* | 2,080,729 | 2,080,346 | 2,299,162 | 8,552,436 |
| GRAND TOTALS | 5,085,456* | 5,576,533 | 4,892,876 | 4,993,044 | 20,547,909 |

*Adjustments were made to reflect 4,090 coal tonnage not reported in first quarter

COAL PRODUCTION - UNDERGROUND MINES
FISCAL YEAR 2008
JULY, AUG., SEPT., 2008

| COMPANY | MINE | NO. OF EMPLOYEES | | TOTAL | FOURTH QUARTER | YEAR TO DATE PRODUCTION |
|----------------------------------|-------------------|------------------|---------|-------|-------------------|----------------------------|
| | | INSIDE | OUTSIDE | | | |
| FAYETTE COUNTY | | | | | | |
| Chevron Mining, Inc. | North River #1 | 298 | 95 | 393 | 540,706 | 2,696,817 |
| | | — | — | — | — | — |
| TOTALS | | 298 | 95 | 393 | 540,706 | 2,696,817 |
| JEFFERSON COUNTY | | | | | | |
| Drummond Co., Inc. | Shoal Creek | 457 | 77 | 534 | 566,617 | 2,223,125 |
| Cleveland Cliffs | Oak Grove | 393 | 57 | 450 | 288,063 | 995,130 |
| | | — | — | — | — | — |
| TOTALS | | 850 | 134 | 984 | 854,680 | 3,218,255 |
| SHELBY COUNTY | | | | | | |
| Shelby Mining Company, L.L.C. | Coke Mine #1 | 67 | 10 | 77 | 15,893 | 78,050 |
| Tacoa Minerals, Inc. | Thompson #1 | 13 | 3 | 16 | 8,280 | 8,280 |
| | | — | — | — | — | — |
| TOTALS | | 80 | 13 | 93 | 24,173 | 86,330 |

COAL PRODUCTION - UNDERGROUND MINES
FISCAL YEAR 2008
JULY, AUG., SEPT., 2008

| COMPANY | MINE | NO. OF EMPLOYEES | | TOTAL | FOURTH QUARTER | YEAR TO DATE PRODUCTION |
|---------------------------------|---------|------------------|---------|-------|-------------------|----------------------------|
| | | INSIDE | OUTSIDE | | | |
| TUSCALOOSA COUNTY | | | | | | |
| Jim Walter Resources, Inc. #4 | | 407 | 98 | 505 | 731,336 | 3,270,134 |
| Jim Walter Resources, Inc. #5 | | - | - | - | - | - |
| Jim Walter Resources, Inc. #7 | | 600 | 124 | 724 | 512,587 | 2,593,985 |
| | | — | — | — | — | — |
| TOTALS | | 1,007 | 222 | 1,229 | 1,243,923 | 5,864,119 |
| WALKER COUNTY | | | | | | |
| Warrior Investment Co., Inc. | Corinth | 23 | 24 | 47 | 30,400 | 129,952 |
| TOTALS | | 23 | 24 | 47 | 30,400 | 129,952 |
| TOTAL UNDERGROUND MINES | | 2,258 | 488 | 2,746 | 2,693,882 | 11,995,473 |

COAL PRODUCTION - SURFACE MINES
FISCAL YEAR 2008
JULY, AUG., SEPT., 2008

| COMPANY | MINE | NO. OF EMPLOYEES | FOURTH QUARTER | YEAR TO DATE PRODUCTION |
|-------------------------------------|-----------------|---------------------|-------------------|----------------------------|
| BIBB COUNTY | | | | |
| Hope Coal Co., Inc. | Seymour Mine | 12 | 23,589 | 113,354 |
| | | <hr/> | <hr/> | <hr/> |
| TOTALS | | 12 | 23,589 | 113,354 |
| CULLMAN COUNTY | | | | |
| Twin Pines Coal Co., Inc. | #2 | 0 | 0 | 112,424 |
| Twin Pines Coal Co., Inc. | Cold Springs W. | 28 | 76,117 | 77,358 |
| | | <hr/> | <hr/> | <hr/> |
| TOTALS | | 28 | 76,117 | 189,782 |
| FRANKLIN COUNTY | | | | |
| Birmingham Coal & Coke Co., Inc. | Bear Creek | 24 | 53,904 | 164,909 |
| | | <hr/> | <hr/> | <hr/> |
| TOTALS | | 24 | 53,904 | 164,909 |
| JACKSON COUNTY | | | | |
| D & E Mining, L.L.C. | Lyda | 15 | 12,405 | 33,199 |
| GTM Energy Partners, LLC | #1 | 21 | 31,483 | 160,117 |
| GTM Energy Partners, LLC | #2 | 25 | 26,056 | 130,907 |
| GTM Energy Partners, LLC | #3 | 10 | 13,863 | 13,863 |
| | | <hr/> | <hr/> | <hr/> |
| TOTALS | | 71 | 83,807 | 338,086 |

COAL PRODUCTION - SURFACE MINES
FISCAL YEAR 2008
JULY, AUG., SEPT., 2008

| COMPANY | MINE | NO. OF EMPLOYEES | FOURTH QUARTER | YEAR TO DATE PRODUCTION |
|-------------------------------------|-------------------|---------------------|-------------------|----------------------------|
| JEFFERSON COUNTY | | | | |
| Best Coal, Inc. | Narley | 33 | 69,912 | 273,061 |
| Birmingham Coal & Coke Co., Inc. | Shannon | 0 | 0 | 1,270 |
| Black Warrior Minerals, Inc. | Fishtrap | 21 | 24,911 | 119,195 |
| C & H Mining Co., Inc. | Lindbergh#2 | 40 | 76,820 | 298,891 |
| Cahaba Resources, L.L.C. | Johnson | 12 | 15,480 | 35,476 |
| Cherokee Mining, L.L.C. | Pumpkin Center #2 | 23 | 54,860 | 99,845 |
| Covol Engineered Fuels, L.L.C. | CEF Alabama #3 | 22 | 39,017 | 202,863 |
| Job Land & Minerals | Powhatan | 12 | 14,910 | 26,180 |
| M & B Excavating, L.L.C. | Drummond Pit #89 | 5 | 12,352 | 23,772 |
| M.S.&R. Equip., Co., Inc. | Sloan Mountain | 48 | 48,539 | 205,078 |
| Twin Pines Coal Co., Inc. | Shannon | 61 | 77,834 | 360,653 |
| | | — | — | — |
| TOTALS | | 277 | 434,635 | 1,646,284 |
| MARION COUNTY | | | | |
| M.E. Group, Inc. | Burleson | 15 | 23,317 | 31,417 |
| National Coal of AL, Inc. | L. Massey West | 30 | 81,778 | 388,809 |
| Reed Minerals, Inc. | Dulin | 0 | 0 | 373 |
| | | — | — | — |
| TOTALS | | 45 | 105,095 | 420,599 |

COAL PRODUCTION - SURFACE MINES
FISCAL YEAR 2008
JULY, AUG., SEPT., 2008

| COMPANY | MINE | NO. OF EMPLOYEES | FOURTH QUARTER | YEAR TO DATE PRODUCTION |
|---|-------------------|---------------------|-------------------|----------------------------|
| SHELBY COUNTY | | | | |
| Hope Coal Company, Inc. | Alliance Mine #1 | 11 | 30,126 | 143,519 |
| Tacoa Minerals, LLC | Thompson/Tacoa | 0 | 0 | 65,440 |
| Tacoa Minerals, LLC | Thompson Highwall | 18 | 32,837 | 32,837 |
| Twin Pines Coal Co. Inc. | Toby | - | - | 39,726 |
| Twin Pines Coal Co. Inc. | Segco | 54 | 82,110 | 148,166 |
| TOTALS | | 83 | 145,073 | 429,688 |
| TUSCALOOSA COUNTY | | | | |
| Black Warrior Minerals, Inc. | Fleetwood #1** | 15 | 20,536 | 104,287 |
| Covol Engineered Fuels, LLC | CEF Alabama #4 | 26 | 79,136 | 264,016 |
| Covol Engineered Fuels, LLC | CEF Alabama #5 | | 23 | 59,569 |
| | 59,569 | | | |
| Greenfuel Processing, L.L.C. (Operated by Covol in Fourth Quarter) | Greenfuel #1 | 19 | 276 | 39,836 |
| Cahaba Resources, Inc.. | Deerlick | 18 | 21,524 | 142,552 |
| National Coal of AL, Inc. | Davis Creek | 7 | 2,691 | 2,691 |
| Southland Resources, Inc. | Searles #2 | 76 | 16,247 | 16,247 |
| Southland Resources, Inc. | Searles #4 | * | 34,614 | 267,598 |
| Southland Resources, Inc. | Searles #5 | * | 82,202 | 173,678 |
| Tuscaloosa Resources, Inc. | Howton | 34 | 79,757 | 261,227 |
| Tuscaloosa Resources, Inc. | East Brookwood | 63 | 121,149 | 507,414 |
| TOTALS | | 281 | 517,701 | 1,839,115 |

*Employees listed in other pits

** 1st & 2nd Quarter was shown as Brookwood

COAL PRODUCTION - SURFACE MINES
FISCAL YEAR 2008
JULY, AUG., SEPT., 2008

| COMPANY | MINE | NO. OF EMPLOYEES | FOURTH QUARTER | YEAR TO DATE PRODUCTION |
|--|----------------------|---------------------|-------------------|----------------------------|
| WALKER COUNTY | | | | |
| Beaird Mining & Mineral Co. Inc. | Cane Creek | 3 | 1,571 | 9,467 |
| Birmingham Coal & Coke Company, Inc. | Gooden Creek Mine*** | 0 | 0 | 103,327 |
| Black Warrior Minerals, Inc. | Manchester West | 26 | 27,484 | 160,123 |
| Cherokee Mining, L.L.C | Red Star | 39 | 55,919 | 2323,590 |
| Haley Brothers Coal, Inc. | Sugar Town | 26 | 38,807 | 159,732 |
| Mallard Creek Energy | Mine #1 | - | - | 9,539 |
| McWane, Inc. | Towncreek | 38 | 66,892 | 125,514 |
| National Coal of AL, Inc. | Crescent Valley | 18 | 61,806 | 61,806 |
| Quality Coal Co., Inc. | McCollum | 9 | 10,683 | 51,948 |
| Quality Coal Co., Inc. | Pleasant Grove | 33 | 41,479 | 141,401 |
| Quinton Mining, L.L.C. | Quinton South | - | - | 36,897 |
| Reed Minerals, Inc. | Jap Creek | 30 | 61,631 | 302,974 |
| Reed Minerals, Inc. | Pond Fines | - | - | 3,396 |
| Reed Minerals, Inc. | South F | 14 | 26,988 | 158,875 |
| Reed Minerals, Inc. | Nicholas | 6 | 755 | 60,969 |
| Taft Coal Sales & Associates, Inc. | Choctaw | 97 | 158,203 | 635,862 |
| Warrior Investment Co. (Cedar Lake Mining-Contractor) | Reese Branch | 50 | 90,001 | 374,201 |
| | | — | — | — |
| TOTALS | | 389 | 642,219 | 2,628,621 |

*** No production Walker County portion of property during Fourth Quarter.

See Winston County data for Fourth Quarter tonnage mined from Winston portion of property.

COAL PRODUCTION - SURFACE MINES
FISCAL YEAR 2008
JULY, AUG., SEPT., 2008

| COMPANY | MINE | NO. OF EMPLOYEES | FOURTH QUARTER | YEAR TO DATE PRODUCTION |
|---|----------------------|---------------------|-------------------|----------------------------|
| WINSTON COUNTY | | | | |
| Birmingham Coal & Coke Company, Inc. | Old Union | 28 | 56,589 | 232,445 |
| Birmingham Coal & Coke Company, Inc. | Gooden Creek Mine * | 20 | 39,680 | 39,680 |
| Hope Coal Company, Inc. | Meredyth | 22 | 45,946 | 74,724 |
| National Coal of AL, Inc. | Hickory Grove | - | - | 92,496 |
| National Coal of AL, Inc.. | Poplar Springs | 30 | 38,481 | 306,327 |
| National Coal of AL, Inc. | Poplar Springs North | 21 | 36,326 | 36,326 |
| | | 121 | 217,022 | 781,998 |
| TOTALS | | | | |
| | | | | |
| TOTAL SURFACE MINES | | 1,331 | 2,299,162 | 8,552,436 |

* See Walker County data for tonnage mined from Walker County portion of the property during the first three quarters of fiscal year 2008.

COAL PRODUCTION
FISCAL YEAR 2008
JULY, AUG., SEPT., 2008

| | NO. OF EMPLOYEES | | | FOURTH | YEAR TO DATE |
|------------------------|------------------|---------|-------|-----------|--------------|
| | INSIDE | OUTSIDE | TOTAL | QUARTER | PRODUCTION |
| TOTAL UNDERGROUND MINE | 2,258 | 488 | 2,746 | 2,693,882 | 11,995,473 |
| TOTAL SURFACE MINES | - | 1,331 | 1,331 | 2,299,162 | 8,552,436 |
| | | | | | |
| GRAND TOTALS | 2,258 | 1,819 | 4,077 | 4,993,044 | 20,547,909 |